

Message Text

UNCLASSIFIED

PAGE 01 STATE 164199

11

ORIGIN XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-07 AID-05 PA-02 PRS-01 USIA-15

COME-00 /045 R

66611

DRAFTED BY: XMB:AMOHANIAN/RLS

APPROVED BY: EB/OCA/CM:EMCKEON

WARREN W. GLICK, ACTING EXECUTIVE VICE PRESIDENT

ARA/CEN:DCLARE (INFO)

EB/IFD/ODF:RASWART

----- 026542

R 120031Z JUL 75

FM SECSTATE WASHDC

TO AMEMBASSY GUATEMALA

UNCLAS STATE 164199

E.O. 11652: NA

TAGS: APUB, GT

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO GUATEMALA

FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREDIT OF DOLS 916,000 TO IBARGUEN TEXTILES, S.A. (IBATEX). RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS, FRIDAY, JULY 18, 1975.

QUOTE: EXIMBANK CREDIT OF DOLS 916,000 SUPPORTS DOLS 2,155,000 SALE OF U.S. TEXTILE EQUIPMENT TO GUATEMALAN COMPANY

THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF DOLS 916,000 TO IBARGUEN TEXTILES, S.A. (IBATEX), TO HELP FINANCE THE SALE OF U.S. GOODS AND SERVICES REQUIRED FOR A SPINNING MILL IN GUATEMALA.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 164199

THE PROJECT IS FOR THE CONSTRUCTION OF A NEW COTTON AND

POLYESTER TEXTILE MILL LOCATED AT SCALCAJA, GUATEMALA, NEAR THE CITY OF QUEZALTENANGO. IT WILL BE DESIGNED TO PRODUCE FINE COUNTS FOR LOCAL WEAVING MILLS AND GARMENT INDUSTRY. IBATEX PLANS ON SELLING ITS YARNS ONLY WITHIN GUATEMALA.

SACO-LOWELL OF GREENVILLE, SOUTH CAROLINA, AS THE MAJOR SUPPLIER, IS PROVIDING THE BASIC ENGINEERING FOR FOUNDATIONS, BUILDINGS, EQUIPMENT LAYOUT, AND WILL COORDINATE THE TRAINING OF OPERATORS AND TECHNICIANS. OTHER SUPPLIERS WILL INCLUDE HOLLINGSWORTH OF GREENVILLE, SOUTH CAROLINA, LESONA OF WARWICK, RHODE ISLAND, BAHNSON INTERNATIONAL OF WINSTON-SALEM, NORTH CAROLINA, AND WORTHINGTON OF HARRISON, NEW JERSEY.

IBATEX IS A NEW COMPANY AND EXIMBANK'S CHAIRMAN WILLIAM J. CASEY POINTED OUT THAT THE BANK'S SUPPORT FOR THIS TRANSACTION WILL HELP U.S. EXPORTERS TO ESTABLISH THE MARKET FOR FUTURE SALES OF THIS TYPE OF EQUIPMENT.

THE EXIMBANK CREDIT REPRESENTS 42.5 PERCENT OF THE TOTAL U.S. SALE. A LOAN OF DOLS 916,000 FROM FIRST NATIONAL BANK OF CHICAGO WILL FINANCE ANOTHER 42.5 PERCENT OF THE U.S. COSTS AND IBATEX WILL MAKE CASH PAYMENT OF 10 PERCENT REPRESENTING THE BALANCE OF THE U.S. COSTS. EXIMBANK'S INTEREST RATE OF 8 PERCENT PER ANNUM, COMBINED WITH THE INTEREST RATE FROM PRIVATE SOURCES AT CURRENT RATES, WILL RESULT IN A BLENDED ANNUAL INTEREST COST TO THE BORROWER OF BETWEEN 8.4 PERCENT TO 8.65 PERCENT PER ANNUM.

THE LOANS ARE TO BE REPAID IN 14 SEMIANNUAL INSTALLMENTS BEGINNING AUGUST 1, 1976, WITH EXIMBANK'S CREDIT TO BE REPAID OUT OF THE LAST 7 INSTALLMENTS. REPAYMENT OF EXIMBANK'S CREDIT IS TO BE GUARANTEED BY THE PRINCIPALS OF IBATEX. UNQUOTE
INTERSOLL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 12 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE164199
Document Source: CORE
Document Unique ID: 00
Drafter: XMB:AMOHANIAN/RLS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750241-0827
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750760/aaaacbwf.tel
Line Count: 94
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAR 2003 by ThomasVJ>; APPROVED <16 MAR 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS RELEASE ON EXIMBANK CREDIT TO GUATEMALA FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-
TAGS: APUB, GT
To: GUATEMALA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006